


July 25, 2014

MEMORANDUM TO: DNMS File

FROM: Edward Kulzer, Inspector
Materials Inspection Branch
Division of Nuclear Materials Safety



SUBJECT: SPECIAL (BANKRUPTCY) INSPECTION OF LAKESHORE TOLTEST CORPORATION LOCATED AT 385 MIDLAND IN HIGHLAND PARK, MICHIGAN (NRC LICENSE NO. 34-35052-01 AND GENERAL LICENSE RC 718250).

Lakeshore Toltest Corporation (LTC) was authorized by NRC License No. 34-35052-01 to use two Seaman Nuclear Corporation Model Nos. C-200 and C-300 portable gauging devices containing up to 5.5 millicuries radium-226. The licensee also possessed one Niton Corporation Model XLP Series gauge containing 40 microcuries cadmium-109 under a general license. The NRC became aware of the bankruptcy involving this licensee and conducted a special inspection to ensure the security of radioactive materials. The inspector contacted Mr. Avinash Rachmale at ((313) 215-1669) to meet with Mr. Mike Minor ((313)399-2113), an authorized gauge user and supervisor at the Highland Park facility, on June 25, 2014.

Mr. Minor told the inspector that Mr. Rachmale wanted to purchase LTC. The inspector was told that Mr. Rachmale originally owned the company before he obtained additional investors who then decided to sell the other branches of the company.

The inspector determined that the two Seaman gauges were present in locked cases and secured inside a locked cyclone fence, and the licensee secured each gauge with an additional lock and chain. The inspector determined that the Niton gauge was secured in a locked laboratory in a locked cabinet.

The inspector gave Mr. Minor a copy of 10 CFR Part 31.5 regulations concerning generally licensed devices and informed Mr. Minor of the requirement found in 10 CFR Part 31.5.(c)(15) that the that the generally licensed devices could not be stored for periods longer than two years. The inspector provided Mr. Minor with a copy of the sealed source device registry and told Mr. Minor that the generally licensed device must be leak tested every six months. The inspector brought to the licensee's attention the estimated life of six years (which had expired). The inspector told Mr. Minor that the gauges had to be returned to the vendor or transferred to someone specifically authorized by the NRC to possess them.

Mr. Minor stated that he would send the inspector copies of the leak tests performed on the devices, including the Niton. The inspector received the leak tests results on the specifically licensed gauges and generally licensed device on July 17, 2014. The generally licensed device was leak tested in February 2014, but it is not known when, if ever, this device was used last. The Seaman specifically licensed gauges were leak tested in July 2014. (See Attached)